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SPECIAL ANALYSIS I

CIVILIAN EMPLOYMENT IN THE EXECUTIVE BRANCH

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The Budget of the United States Government, 1983

Note.—All years referred to are fiscal years, unless otherwise noted. Details in the tables, text, and charts of this booklet may not add to totals because of rounding.

OFFICE OF MANAGEMENT AND BUDGET

EXECUTIVE OFFICE OF THE PRESIDENT

February 1982

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SPECIAL ANALYSIS I

CIVILIAN EMPLOYMENT IN THE EXECUTIVE BRANCH

This Administration is committed to reducing Federal civilian employment.

- As the first official act after inauguration, the President instituted a freeze on Federal civilian hiring.
- Subsequently, in the March 1981 revision of the 1982 Budget, significant reductions in nondefense agency employment were proposed.
- In September, the President announced the goal of a further reduction of 75,000 workyears in nondefense agency employment, during the period 1982–1984.

Full-Time Equivalent of Total Federal Civilian Employment in the Executive Branch

Control of Federal agency civilian employment was shifted to a full-time equivalent (FTE) or workyear basis for the executive branch beginning with fiscal year 1982. (Section 904 of the 1982 Defense Authorization Act (Public Law 97–86) exempts the Department of Defense from full-time equivalent employment controls. Postal Service employment, which by law is not subject to Presidential control, is also excluded.)

The estimated workyears for the executive branch, excluding employment exempt from ceilings (but including the Department of Defense) are:

	Fiscal year		
	1981	1982	1983
Full-time equivalent employment:			
Full-time permanent	1,867,600	1,891,300	1,874,600
Other than full-time permanent	243,100	189,100	179,100
Total	2,110,700	2,080,300	2,053,700

Full-time permanent employment is expected to account for 91 percent of the total workforce in 1983. The remainder is made up of part-time employees, intermittent employees (those employed on an irregular basis), and full-time temporary employees (generally, in positions occupied for less than 1 year).

Table I–1 is a tabulation of full-time equivalent employment estimates for the major departments and agencies of the executive branch.

Table I–1. FULL-TIME EQUIVALENT OF TOTAL FEDERAL CIVILIAN EMPLOYMENT IN THE EXECUTIVE BRANCH [1]

(Excluding the Postal Service)

	Fiscal year				
	1981 estimate [2]	1982 revised Budget estimate [3]	1982 current estimate	1983 estimate	1984 estimate
Agriculture	117,300	121,000	117,000	111,000	108,900
Commerce [4 5]	52,600	45,500	45,600	40,500	38,200
Defense—civil functions	34,400	32,300	32,300	30,700	29,100
Health and Human Services [6]	148,400	154,400	147,600	141,400	137,600
Housing and Urban Development	16,100	15,700	14,900	14,400	14,100
Interior [5 6]	85,900	87,400	85,000	81,600	79,300
Justice [5 6]	56,900	55,100	56,400	55,800	54,400
Labor	22,600	21,600	19,200	18,600	18,400
State	23,400	22,900	23,000	23,300	23,500
Transportation [4]	58,800	69,300	60,100	61,900	62,500
Treasury [6]	123,900	124,400	122,200	123,000	122,200
Environmental Protection Agency	12,700	12,900	12,200	10,500	10,500
National Aeronautics and Space Administration	22,600	22,700	22,500	22,000	22,000
Veterans Administration	214,100	209,600	215,900	216,800	218,900
Other:					
Foundation for Education Assistance [6]	6,200	5,300	5,400	4,800	4,800
General Services Administration	34,000	32,800	32,300	31,000	29,500
International Communication Agency [6]	7,900	7,600	7,900	7,900	7,900
International Development Cooperation Agency	5,800	5,800	5,700	5,600	5,400
Nuclear Regulatory Commission	3,400	3,400	3,400	3,400	3,300
Office of Personnel Management	7,200	6,600	6,400	5,900	5,800
Panama Canal Commission	8,900	9,100	9,000	9,000	9,000
Small Business Administration	5,000	4,700	4,500	4,200	4,100
Tennessee Valley Authority	50,100	44,800	42,500	41,400	40,300
Miscellaneous [5 6]	45,500	47,200	43,100	40,700	39,900
Undistributed reduction					−2,500
Subtotal	1,163,700	1,162,100	1,134,100	1,105,400	1,087,100
Defense—military functions [6 7]	947,000	937,700	945,200	947,300	947,000
Subtotal	2,110,700	2,099,800	2,079,300	2,052,700	2,034,100
Contingencies [8]		1,000	1,000	1,000	1,000
Total	2,110,700	2,100,800	2,080,300	2,053,700	2,035,100

[1] Excludes developmental positions under the worker-trainee opportunity program (WTOP) as well as certain statutory exemptions.
[2] Data are estimated because most executive branch agencies were not reporting full-time equivalent (FTE) information prior to October 1981.
[3] As contained in the revised 1982 Budget, transmitted to the Congress in March 1981.
[4] Reflects the transfer, during 1981, of the Maritime Administration from the Department of Commerce to the Department of Transportation.
[5] The budget proposes dismantlement of the Department of Energy (DOE), effective October 1, 1982. Employment data for activities previously performed by DOE are included in the agencies that are proposed to assume these activities.
[6] The budget proposes dismantlement of the Department of Education (DEd), effective October 1, 1982. Employment data for activities previously performed by DEd are included in the agencies that are proposed to assume these responsibilities.
[7] Section 904 of the 1982 Defense Authorization Act (Public Law 97–86) exempts the Department of Defense from full-time equivalent employment controls.
[8] Subject to later distribution.

Table I–1 allocates to the agencies a 72,500 full-time equivalent (workyear) nondefense reduction from the 1982 revised estimates to the 1984 estimates. This accounts for 97 percent of the 75,000

reduction goal set by the President. An increase of 9,300 full-time equivalents was required for Veterans Administration medical care after the 75,000 reduction was announced. Employment in the remaining nondefense agencies was reduced by 81,800.

Significant Changes in Full-Time Equivalent Employment

Realignment of the Education and Energy functions will result in a savings of 4,700 workyears from the revised 1982 Budget to 1984. Actions taken to reduce or eliminate energy programs, together with dismantling the Department of Energy, will save 4,100 workyears from 1982 levels. Overhead activities alone will account for almost 2,300 workyears of these savings. Actions taken to reduce or eliminate education programs, the transfer of certain programs to other agencies, and the replacement of the Department of Education with a smaller, more efficient Foundation for Education Assistance will result in savings of 600 workyears.

Most agencies show decreases, in table I-1, from the 1982 estimates in the revised 1982 Budget to the corresponding estimates for 1984.

- Department of Agriculture (−12,100)—Programmatic reductions and increased efficiencies are planned in: the Forest Service (about one-half of the total reduction), the Animal and Plant Health Inspection Service, the Farmers Home Administration, the Soil Conservation Service, and in science and education programs.
- Department of Commerce (−7,300)—A net decrease will result from completion of the Decennial, Economic and Agricultural Censuses, the termination of the Economic Development Administration, the phasedown or elimination of National Oceanic and Atmospheric Administration weather and marine related services and research activities. Additional reductions are associated with the energy functions being transferred to the department. A planned increase of about 400 workyears is intended to reduce the backlogs in the Patent and Trademark Office and to expand the Foreign Commercial Service overseas for export development.
- Department of Defense—civil functions (−3,200)—Reductions are the result of declining budget and program levels, changing State and private sector capabilities, and administrative streamlining (e.g., consolidation of finance and accounting centers). Reductions due to declining program levels are cutbacks in real estate and construction management personnel and the completion of 20–25 projects per year. Private sector dredging capability is increasing, with correspondingly less need for dredges operated by Federal employees.

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- Department of Health and Human Services (−16,800)—The Department will reduce employment by: converting categorical grants to block grants for health, social and community services programs; decreasing regulatory requirements for health and social services programs and eliminating overhead functions, closing (or returning to community control) Public Health Service Hospitals; contracting out services to be performed by the private sector where it is cost effective in accordance with reviews required under OMB Circular No. A-76; and eliminating excessive overhead functions.
- Department of Housing and Urban Development (−1,600)—This decrease is due to reductions in departmental decision-making and oversight in favor of State and local discretion in those programs that directly affect them.
- Department of the Interior (−8,100)—Declining staff levels will be achieved through reductions in overhead (particularly in the Bureau of the Indian Affairs), closing some facilities, streamlining regulatory processes, and use of less labor intensive methods of natural resource management.
- Department of Labor (−3,200)—Some reductions will occur in virtually all activities, reflecting both reductions in less essential programs and increased operating efficiencies. Major reductions will occur in the Employment and Training Administration (−1,000), where reduction and consolidation of training and employment programs will result in greatly simplified new programs, and in the Mine Safety and Health Administration (−1,000), where legislation will be proposed to eliminate thousands of redundant and wasteful visits to mines that have not been found to be hazardous.
- Department of Transportation (−6,800)—Major components of the net decrease include a reduction in workyears for air traffic controllers as a result of a reevaluation of needs after the air controllers strike; a reduction due to the planned transfer of the Alaskan railroad; and overall staffing reductions throughout the department.
- Department of the Treasury (−2,200)—Reductions will occur in selected activities with staffing held relatively constant in direct law enforcement and revenue collection functions. Decreases will be achieved through the streamlining of current operations, increased efficiencies, and a major reorganization and termination of the Bureau of Alcohol, Tobacco and Firearms as a separate entity.
- Environmental Protection Agency (−2,400)—Reductions are due to elimination of duplicative activities, reduction of Federal oversight and control of State activities and major gains

in efficiency from reorienting and streamlining the agency's management structure.

- General Services Administration (−3,300)—Lower staff levels will result primarily from contracting out those functions that can be more economically performed by the private sector under the guidelines of OMB Circular No. A-76.

A few agencies show increases.

- Department of Defense—military functions (+9,300)—This increase is for improved readiness, and for increased workloads in defense industrial activities.
- Veterans Administration (+9,300)—Additional staffing is required to meet the needs of the Veterans Administration Medical Care System.
- State Department (+600)—Additional personnel resources are needed for augmented political and economic reporting and analysis from key countries, additional security and communications capabilities, and enhanced administrative support for U.S. agencies operating in diplomatic missions.

End-of-Year Employment Levels

Another way to look at Federal employment is on the basis of the number of employees expected to be on the rolls at the end of a fiscal year.

Full-time permanent employment in the executive branch at the end of 1983 is estimated to be 1,873,600, excluding 542,600 Postal Service employees. (Postal Service employees are not under the President's jurisdiction.) Actual full-time permanent employment as of September 30, 1981, was 1,851,045, a reduction of about 21,800 full-time permanent employees since January 1981, when this administration came into office.

Total Federal civilian employment in the executive branch is estimated to be 2,077,900 by the end of 1983, excluding 635,600 Postal Service employees.

The estimates shown in table I-2 for total executive branch employment reflect the fractional counting of part-time permanent positions (based on the number of hours per regularly scheduled workweek) as required by the Federal Employees Part-Time Career Employment Act of 1978 (Public Law 95-437).

Table I-2 shows Government-wide Federal civilian employment, i.e., the number of persons employed as of the end of each fiscal year displayed. Information on Postal Service employment (including that of the Postal Rate Commission) is also shown, together with data for the legislative and judicial branches and for active duty military personnel.

The Department of Defense, in its military functions, is expected to increase from 44.7% of Executive Branch civilian employment in 1981 to 45.6% in 1983.

Table I–2. TOTAL FEDERAL EMPLOYMENT END-OF-YEAR

Description	September 30		
	1981 actual	1982 estimate	1983 estimate
Civilian employment in the executive branch:			
Full-time permanent	1,851,045	1,888,000	1,873,600
Other than full-time permanent [1]	246,087	214,400	204,300
DOD-military functions	(937,819)	(947,000)	(947,000)
Non-DOD	(1,159,313)	(1,155,400)	(1,130,900)
Subtotal	2,097,132	2,102,400	2,077,900
Postal Service:			
Full-time permanent	543,504	543,000	542,600
Other than full-time permanent	119,664	98,300	93,000
Subtotal	663,168	641,300	635,600
Special categories [2]	26,963	26,500	26,500
Subtotal, executive branch civilian employment	2,787,263	2,770,200	2,740,000
Military personnel on active duty: [3]			
Department of Defense	2,082,183	2,110,300	2,147,600
Department of Transportation (Coast Guard)	39,819	36,900	37,100
Subtotal, military personnel	2,122,002	2,147,200	2,184,700
Total, executive branch employment	**4,909,265**	**4,917,400**	**4,924,700**
Legislative and judicial personnel: [4]			
Full-time permanent	32,844	.....	.....
Other than full-time permanent	21,423	.....	.....
Subtotal, legislative and judicial branches	54,267	.....	.....
Grand total	**4,963,532**	.....	.....

[1] Reflects fractional counting of part-time permanent positions, pursuant to the provisions of Public Law 95–437.
[2] Developmental positions under the worker-trainee opportunity program; disadvantaged summer and part-time workers under such Office of Personnel Management programs as Summer Aids, stay in school, and Junior Fellowship; and certain statutory exemptions.
[3] Excludes reserve components.
[4] 1982 and 1983 estimates are not available for the legislative and judicial branches. Also, excludes members and officers of the Congress.

Personnel Compensation and Benefits

Direct compensation of the Federal work force includes base pay, merit pay, cash incentive and performance awards, meritorious and distinguished executive awards, premium pay for overtime, Sunday and holiday pay, differentials for night work and overseas duty, and flight and other hazardous duty pay. Related compensation in the form of personnel benefits consist primarily of the Government's share (as employer) of health insurance, term life insurance, and Federal retirement and old-age survivors' disability insurance. Also included are personnel costs for uniform allowances (when paid in cash), cost-of-living and overseas quarters allowances, and, in the case of uniformed military personnel, reenlistment bonuses.

The Administration plans to withdraw the legislative proposal for a comprehensive reform of Federal pay setting that it made last year in order to consider Congressional objections that were raised and other proposals that have been made since. A new review of Federal civilian compensation will be initiated. This review will have the objective of recommending revised Federal civilian employee pay setting and benefit structures designed to serve the Government's long-term needs. It is anticipated that the review's recommendations will be available in time to permit a new legislative proposal to be submitted to the Congress with the 1984 Budget.

As part of the overall effort to reduce Government spending in support of the President's economic recovery program, the budget assumes an October 1982 pay increase for the white collar workforce of 5.0 percent, and a blue collar pay increase of the same amount. The budget assumes an October 1982 pay increase for military personnel of 8 percent.

Obligations for civilian personnel compensation and benefits in 1983 are projected to reach $62.5 billion, excluding the Postal Service.

Table I–3. PERSONNEL COMPENSATION AND BENEFITS

(In millions of dollars)

Description	1981 actual	1982 estimate	1983 estimate
Civilian personnel costs:			
Executive branch: [1]			
Direct compensation	47,547	48,220	50,134
Personnel benefits [2]	8,608	9,205	9,456
DOD-military functions, civilian personnel:			
Direct compensation	(19,956)	(20,528)	(21,728)
Personnel benefits	(2,064)	(2,205)	(2,329)
Subtotal	56,155	57,425	59,590
Legislative and judiciary: [3]			
Direct compensation	856	936	982
Personnel benefits	82	93	99
Subtotal	938	1,029	1,081
Allowance for civilian pay raise [4]		1,274	1,839
Total, civilian personnel costs	57,093	59,728	62,510
Military personnel costs: [5]			
Direct compensation	31,414	38,060	42,208
Personnel benefits [6]	2,738	2,851	3,417
Subtotal	34,152	40,911	45,625
Allowance for military pay raise		4,516	3,007
Total, military pay costs	34,152	45,427	48,632
Grand total, personnel costs	**91,245**	**105,155**	**111,142**

[1] Excludes the Postal Service, reflecting conversion to independent status, consistent with the Postal Service Reorganization Act of 1970.

[2] In addition to the employing agency's contributions for the costs of life and health insurance, and retirement, this amount includes transfers from general revenues to amortize the effects of general pay increases on Federal retirement systems, for employees in the legislative and judicial branches as well as employees (composite) in the executive branch. The transfers amounted to $3,298 million in 1981 and are estimated to be $3,298 million in 1982 and $3,599 million in 1983.

[3] Excludes members and officers of Congress.

[4] This allowance assumes some absorption.

[5] Excludes reserve components.

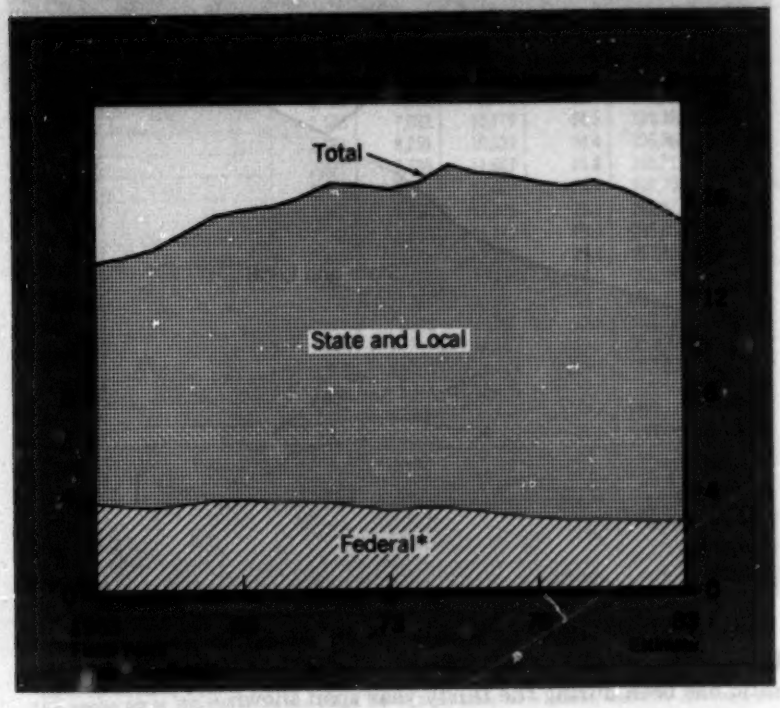
[6] Excludes payments to current military retirees which amounted to $13,729 million in 1981 and are estimated to be $15,000 million in 1982 and $16,472 million in 1983.

Government Employment and Labor Force Comparisons

As shown on the following chart, Government employment—Federal, State, and local—will comprise about 15% of the total employed civilian labor force in 1983.

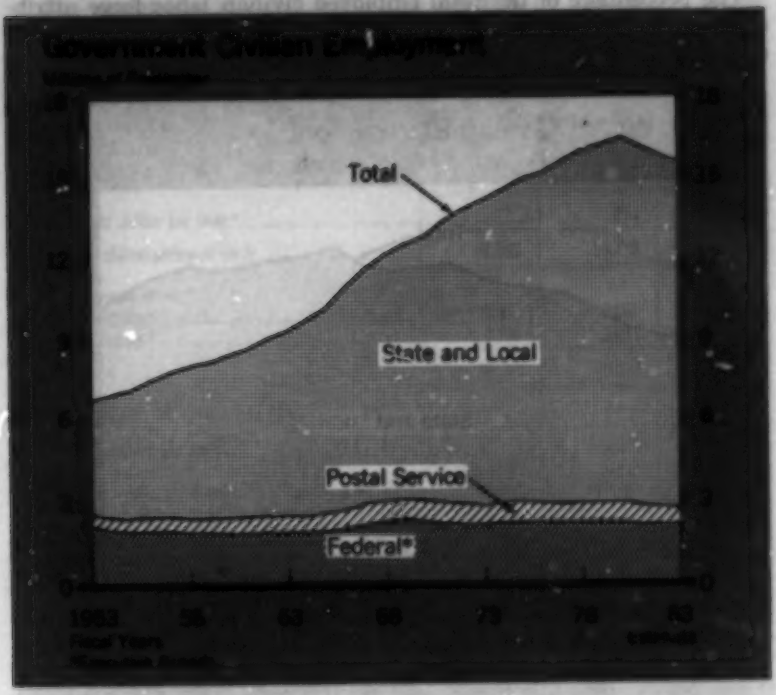
Within this segment, Federal civilian employment in the executive branch accounts for 2.7% of the total employed civilian labor force in 1983, down from a high of 3.8% in 1968.

The percentage of the total employed civilian labor force attributable to State and local government has grown from 9.9% in 1963 to 12.4% in 1983.



Government Employment and Population Comparisons

As illustrated in the following chart and in table I–4, the Federal share of total government employment has declined significantly over the last three decades, from 37.2% in 1953 to an estimated 17.7% in 1983. Employment for all government rose steadily through 1980 due to increases in State and local government employment, but has been declining since then.



The ratio of Federal civilian employment to the total U.S. population is expected to be 11.7 per thousand in 1983, the lowest this ratio has been during the thirty year span shown.

Table I-4. GOVERNMENT EMPLOYMENT AND POPULATION, 1953-83

Fiscal year	Government employment				Population	
	Federal executive branch [1] (Thousands)	State and local governments [2] (Thousands)	All governmental units (Thousands)	Federal as percent of all governmental units	Total United States (Thousands)	Federal employment per 1,000 population
1953	2,532	4,282	6,814	37.2	160,184	15.8
1954	2,382	4,552	6,934	34.4	163,026	14.6
1955	2,371	4,728	7,099	33.4	165,931	14.3
1956	2,372	5,064	7,436	31.9	168,903	14.0
1957	2,391	5,380	7,771	30.8	171,984	13.9
1958	2,355	5,630	7,985	29.5	174,882	13.5
1959	2,355	5,806	8,161	28.8	177,830	13.2
1960 [3]	2,371	6,073	8,444	28.1	180,671	13.1
1961 [3]	2,407	6,295	8,702	27.7	183,691	13.1
1962	2,485	6,533	9,018	27.6	186,538	13.3
1963 [3]	2,490	6,834	9,324	26.7	189,242	13.2
1964 [3]	2,469	7,236	9,705	25.4	191,889	12.9
1965	2,496	7,683	10,179	24.5	194,303	12.8
1966	2,664	8,259	10,923	24.4	196,560	13.6
1967	2,877	8,730	11,607	24.8	198,712	14.5
1968	2,951	9,141	12,092	24.4	200,706	14.7
1969 [4]	2,980	9,496	12,476	23.9	202,677	14.7
1970 [3]	2,944	9,869	12,813	23.0	205,052	14.4
1971 [3]	2,883	10,372	13,255	21.8	207,661	13.9
1972	2,823	10,896	13,719	20.6	209,896	13.4
1973	2,775	11,286	14,061	19.7	211,909	13.1
1974	2,847	11,713	14,560	19.6	213,854	13.3
1975	2,848	12,114	14,962	19.0	215,973	13.2
1976	2,832	12,282	15,114	18.7	218,035	13.0
1977 [3]	2,789	12,704	15,493	18.0	220,904	12.6
1978	2,820	13,050	15,870	17.8	223,278	12.6
1979	2,823	13,359	16,182	17.4	225,779	12.5
1980 [3]	2,821	13,557	16,378	17.2	[5] 228,297	12.4
1981 [3]	[6] 2,787	13,281	16,068	[5] 17.4	[5] 230,477	12.1
1982 (est.)	2,770			[5] 17.5	[5] 232,474	11.9
1983 (est.)	2,740			17.7	[5] 234,645	11.7

[1] Covers total end-of-year employment of full-time permanent, temporary, part-time, and intermittent employees in the executive branch, including the Postal Service, and, beginning in 1970, includes various disadvantaged youth and worker-trainee programs.

[2] Includes temporary employment for the decennial census.

[3] Excludes 7,411 project employees in 1963 and 406 project employees in 1964 for the public works acceleration program.

[4] On Jan. 1, 1968, 42,000 civilian technicians of the Army and Air Force National Guard converted by law from State to Federal employment status. They are included in the Federal employment figures in this table starting with 1969.

[5] Data for 1952 through 1976 are as of June 30; for 1977 through 1981, as of Sept. 30.

[6] The percentages shown for these years are consistent with reasonable estimates based on recent trends in State and local government.

[7] Reflects fractional counting of part-time permanent positions, pursuant to the provisions of Public Law 95-437.

[8] U.S. population data for 1980-1983 are the latest available from the Census Bureau. Revised estimates, based on the 1980 Census, were not available in time for publication in this analysis.